



**DATE:** October 11, 2018

**MEMO TO:** TRANSIT OPERATORS ADVISORY COMMITTEE (TRANSCOM)

**FROM:** PETER DE HAAN, PROGRAMMING DIRECTOR

**SUBJECT:** PROGRAMMING OF CMAQ PROJECTS

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**RECOMMENDATION:**

- Recommend VCTC approve the programming of a total of \$6,588,512 in CMAQ funds for the projects shown in Attachment A, including \$3,069,142 in CMAQ Shelf List projects and \$3,519,370 in cost increases to previously approved CMAQ and Proposition 1B projects, contingent upon these funds either being obligated in federal FY 2018/19 or ready to obligate pending fund availability.
- Recommend VCTC approve transferring \$801,877 in Proposition 1B Transit Capital funds from the Simi Valley CNG project to the Moorpark Metrolink Station Parking project.
- Recommend VCTC approve a loan of \$3,925,000 in CMAQ apportionment to the San Bernardino County Transportation Authority, with repayment after the FY 2019/20 apportionment becomes available, and with the proviso that staff could later loan more CMAQ should the opportunity still be available and unanticipated changes cause the forecasted September 30, 2019 unobligated balance to remain above \$0.

**BACKGROUND**

As discussed last month, the federal FAST Act provides for a rescission based on the unobligated apportionment balance at the end of FY 2018/19. Any remaining unobligated CMAQ balance is subject to a proportional share in the rescission scheduled in the FAST Act. The actual proportion of the unobligated balances to be rescinded will be based on the nationwide unobligated balance, which will not be known until that time. As a result, VCTC should consider how to reduce the Ventura County unobligated CMAQ balance to minimize the impact of the rescission on the county. For transit projects, for purposes of lowering the unobligated balance a project is considered obligated when the funds are transferred to FTA.

VCTC had requested information from local agencies regarding which existing projects will be obligated in FY 2018/19, projects from the approved CMAQ Shelf List that can be obligated by

September 30<sup>th</sup>, or projects previously approved in VCTC calls for projects that have encountered cost increases. Based on the responses, if all currently-approved CMAQ projects anticipated to be obligated in FY 2018/19 are in fact obligated according to the submitted schedules, the estimated balance at the end of the fiscal year will be \$8,535,000, as calculated in Attachment B. At last month's meetings, both TRANSCOM and TTAC requested additional time to consider additional potential cost increases. Both committees also recommended that consideration be given to funding the highest-ranked projects that were "below the line" in the last CMAQ call for projects, in 2017. (Attachment C provides for reference the lists of Shelf List and "below the line" projects from that call for projects.)

#### **DISCUSSION:**

Attachment A summarizes the agency responses identifying potential additional CMAQ programming. There is one pending deobligation for \$284,000, a total of \$3,069,142 from the Shelf List that can be obligated in FY 2018/19, and a total of \$3,519,370 in cost increases from existing projects, with the combined result lowering the estimated unobligated balance to about \$2,230,000. The projects with cost increases include six CMAQ projects and two Proposition 1B Transit Capital projects that were also selected through a competitive VCTC call for projects. Since one of the Prop 1B projects requesting more funds, the Moorpark Station Parking Lot Resurfacing, is ineligible for CMAQ, it is recommended that the funds needed by that project be provided by replacing with CMAQ the Proposition 1B required for construction of the Simi Valley Transit CNG Infrastructure project.

Given the difficulty of using CMAQ for eligible projects and the anticipated statewide demand to find projects to minimize the pending rescission, staff was not expecting opportunities to loan CMAQ apportionment, but based on inquiries within the region staff has learned that the San Bernardino County Transportation Authority has need for a loan which could be repaid as early as October, 2019, when the FY 2019/20 apportionment becomes available. In fact, San Bernardino County could accept a loan for as much as the \$8.5 million that VCTC had projected could be subject to rescission. However, given the pending rescission many other counties will likely be interested in loaning CMAQ to San Bernardino County, so the opportunity to make this loan might quickly close. Recognizing the expectation that has been created among Ventura County agencies for the availability of CMAQ for shelf list projects and cost increases, staff recommends that VCTC proceed to program funds to the projects listed in Attachment A.

Staff recommends that VCTC also move as quickly as possible to offer a \$3,925,000 CMAQ loan to San Bernardino County, with the loan amount having been determined based on the estimated remaining balance, plus an additional amount to allow for 10% delivery slippage. Projects in Ventura County will receive obligation of funds from the remaining CMAQ balance, on a first-come, first-served basis, so if less than 10% of the funds are delayed then the last projects submitted would have to wait until October 2019 for obligation of the funds. Should VCTC later determine that the balance will be above \$0 even with the loan, staff will check to see if there remains an opportunity to loan more. Staff will report back should there be another loan for an amount above the originally-approved amount.

As was noted last month, although this recommended action will significantly reduce and hopefully eliminate the rescission impact on Ventura County, the additional funds recommended for programming are not “free money.” Funds from the balance that are not rescinded will carry over to FY 2019/20 and be available for the CMAQ projects (primarily bicycle/pedestrian) that could not obligate funds by 2018/19. Although the obligation of \$5,588,512 in new programming will reduce the amount of the rescission, thus keeping the money in the county, the portion of those funds that were not going to be rescinded will no longer be available to carryover and pay for the projects delivered in FY 2019/20 and beyond. As result, there will be a decrease in the funding available in the next CMAQ call for projects.